

Copywriting Royalties: How to Get Them

By Roy Furr

One of the biggest ongoing debates I hear among copywriters today is: "Clients don't pay copywriters royalties anymore" versus "Yes, they do – I get them!"

So what's true?

Well, I'm going to side with the "Yes, they do – I get them!" camp because, frankly, it's my truth. I get paid royalties – pretty good ones, too – on most of the projects I work on. And you can too ... If you want to. But it requires a little know-how and a little focus.

The good thing is, I'll show you exactly what it takes here in this article so you can start earning royalties for yourself!

But first ...

What are copywriting royalties?

Think of [copywriting](#) royalties like a sales commission. They're a percentage of the total sales your sales letter or promotion generates for your client.

So if you have a 3% royalty and your client sells \$100 worth of product, you get \$3. If they sell \$100,000 worth of product, you get \$3,000. And often this is on top of any flat fee you got for writing the sales letter or promotion in the first place.

But the cool thing about copywriting royalties is that with copywriting you only have to do the work once when you write the promotion, whereas with sales you have to personally be present to make each sale.

How do copywriting royalties work?

The most common way copywriting royalties used to work was based on a "per piece mailed" number. This was when copywriters were primarily used to create direct mail promotions. So a copywriter would earn between \$0.01 and \$0.05 per piece mailed (these are sometimes alternately referred to as \$10 to \$50 per thousand). This doesn't sound like a lot, but if a particular direct mail promotion mails 1,000,000 copies at \$0.05 per piece mailed, that's \$50,000 in royalties. Big direct marketers will mail a winning promotion to millions upon millions of recipients, so this can add up.

Now with much direct marketing happening online, percentage of sales is a more common determinant of royalty payments. 2% to 5% is a common range of royalties, with a few top copywriters demanding a higher percentage.

If you write a promotion to be used both online and in direct mail, your contract may stipulate a percentage of sales rate for online sales, plus a per-piece-mailed for direct mail. This is up to you and your client to negotiate.

What are the important factors in negotiating royalties?

There are a lot of factors that decide [how much copywriters make](#) with royalties. Three of the most important factors are:

1. The percentage you get – i.e., did you negotiate a 2% royalty or a 5% royalty?
2. Gross versus net sales – many clients pay you on total sales minus refunds, and this is about as close as you'll get to getting paid on gross sales. But if they start subtracting out fulfillment costs and other numbers or try to pay on net profits, your royalty payments will get a lot smaller.
3. Fee plus royalty versus advance against royalty – some clients will pay a flat fee plus royalty on all sales, others will pay an advance and then only start paying you after you've paid back your advance with royalty payments.

Obviously, you want to negotiate the best deal you can get.

My preferred way to work is to earn a flat fee plus 5% royalty on total sales minus refunds. For some clients this is perfect. Others may have trouble making this work within their economics. In that case, I decide on a project-by-project basis if it makes sense for me to do the project, and decline if it does not.

How much can you make with royalties?

The great thing about royalties is the sky's the limit with how much you earn. I heard that [copywriting](#) legend Gary Bencivenga bought a \$5 million retirement house with cash on the royalty from one direct mail promotion alone. Not every promotion will earn you this much – in fact, this is by far the exception and not the rule. But it shows the possibility that royalties represent.

(And think about this – I don't know the details of Gary's agreement, but if was making 5% royalties for that promotion, it means his client made \$100 million in sales, for which they were happy to pay Gary \$5 million.)

Here's something more along the lines of a "nice but not abnormal" promotion versus a "once in a lifetime, buy your retirement house" promotion.

Let's say you negotiate with a client to write a sales letter for one of their back-end promotions. This is for an expensive, \$3,500 per year stock picking service for investors. You're tasked with getting 200-400 new subscribers for this service. They're willing

to pay \$4,000 as a flat fee for you to simply do the work, and a 3.5% royalty on top of the fee for sales generated.

Let's do some math to show how interesting this gets. Let's start with the assumption you met the minimum subscriber expectation and got 200 new subscribers for this service.

$\$3,500 \times 200$ net subscribers (gross minus cancellations) = \$700,000 revenue

$\$700,000$ revenue \times 3.5% royalty percentage = \$24,500 royalty

$\$24,500$ royalty + \$4,000 flat payment = **\$28,500 total project income!**

So you can earn \$28,500 income from this one project – and the type of project I'm talking about could be completed in a month's worth of work or less.

Now let's say your results came in at the top end of their expectations and you landed them 400 new subscribers for this \$3,500 service. Here's the math.

$\$3,500 \times 400$ net subscribers = \$1,400,000 revenue

$\$1,400,000$ revenue \times 3.5% royalty percentage = \$49,000 royalty

$\$49,000$ royalty + \$4,000 flat payment = **\$53,000 total project income!**

And like I said, this isn't a once-in-your-career, grand-slam homerun opportunity. Once you start working with clients who are smart direct marketers that also pay royalties, this type of opportunity will pop up more than you might expect.

Are there other pay-for-performance arrangements?

Some clients won't pay copywriting royalties. In this case, it can simply be an impossible task to try to negotiate royalties with them. They often don't have the system in place to track and pay royalties, and they won't create that system for one copywriter.

Instead, these clients will often pay a bonus if your copy performs at a certain level, or perhaps they'll pay you an annual bonus for as long as they continue to use your copy.

I have, for the most part, stopped working with these clients in favor of clients who pay royalties – though if you want to work with a particular client and this is what they offer, you have to make your own decision. If you like the client and want to work with them, I say go for it!

Also worth noting are lead generation projects. In this case, your task is not to generate a sale, but a prospective customer for your client. Usually, this prospective customer will be followed up with by a sales team, so the sales process moves from your responsibility to the sales team. For these projects, you can often negotiate a per-lead, pay-for-performance arrangement – where you get a set fee for every lead your copy generates. What your client can pay will largely depend on their own

economics, so I can't provide a specific recommendation other than if you're working on a lead generation project, you should discuss a per-lead rate as performance incentive.

Which types of projects earn royalties?

This is perhaps the most important consideration once you know what royalties are and what's possible. Some types of projects lend themselves to royalties. Others do not.

Here's the distinction: "close to the sale" versus "far from the sale."

Let me explain.

"Close to the sale" copy generates a sale directly. These are long copy promotions, landing pages, product descriptions, and the accompanying copy, such as lift notes and order forms. If your project consists primarily of these elements, you're more likely to be able to negotiate a royalty.

"Far from the sale" copy includes website content, special reports, blog posts, [SEO pages](#), articles, [email marketing](#), [autoresponders](#), and other content that may influence the sale but is not usually the last thing a prospect reads that gets them to make a purchase decision. Because this copy is usually a step or two removed from the sale, it is difficult and often impossible to negotiate a royalty for writing this content.

If you're writing a long copy promotion that your client's prospects will read and respond to by making a purchase (whether that's online or offline), you have some weight in negotiating royalties.

If you're writing supplementary content such as this article, you're unlikely to get royalties for the work.

What to do with this information

Early in this article, I told you I'd give you the know-how you needed to earn [copywriting](#) royalties. Now you know what they are, how they're often structured, and what type of projects to work on to get them.

I also told you that you'd need a bit of focus. What I meant by this is that you have to be willing – if royalties are a priority of yours – to learn how to write compelling "close to the sale" copy that gets readers to pull out their wallet and spend money. Then focus your copywriting services and business on writing that type of copy versus "far from the sale" copy.

Then, my friend, you're certain to join me in answering the question of "Do copywriting royalties exist?" with ...

"Yes, they do – I get them!"

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11 Responses to "Copywriting Royalties: How to Get Them"

How would this work when asking royalties for website content. I have struggled to find anything much on this. I have been approached by a commercial website asking to use up to 50% of the content of a free online Typing Tutor. This business stands to gain financially from the typing software product they will soon have available so it seemed reasonable to look into how I may benefit from all the hard work put into the free Typing Tutor.

Guest (Geoff) – over a year ago

Geoff, the reason you've struggled to find much on this is because it's very uncommon for website content to earn royalties. It's "far from the sale" vs. "close to the sale" as I explain in my article. But if it's preexisting content they're asking to use, I'd instead charge a licensing/usage fee. Yes they can use it, but make them sign a contract that says the price they pay today entitles them to use it for one year. If they want to continue using it, they have to pay yearly. And you reserve the right to increase the price in future years. That's my first thought on how you could get an ongoing share of the profits in a simple, straightforward way. No guarantee they'll go for it, but if they really want it and this is how you let them use it, they may. Best, Roy

Roy Furr – over a year ago

Hi Roy,

Great article on copywriting royalties. The big question that I have related to Royalties is how do you ensure that your client is being honest with you and disclosing the full sales figures that have occurred due to your copywriting?

Do you just need to trust them or is there some systemized way of ensuring accurate counts?

As a second question, are clients ever willing to pay royalties based on a portion of the theoretical lifetime value of a client (as opposed to just one particular promotion which might be a loss leader to land the client)?

Thanks in Advance!

Guest (Brett) – over a year ago

Brett,

1. Get good clients. They know not to screw you. If you're concerned, put a clause in your contract allowing you to have a 3rd-party audit done at their expense ensuring you get the royalties earned.

2. Most sophisticated direct marketers build that into their business model. In effect, your front-end royalties are what they are because of the lifetime value (they often do acquisition marketing at breakeven or a loss).

Occasionally someone like Clayton Makepeace can get an override on back-end sales for all clients they brought in. But that's rare.

Clayton's recent seminar recordings for AWAI go into this in a lot more detail, and are a smart investment for serious direct response copywriters.

Best wishes,

Roy

Roy Furr – over a year ago

Hi All – I was wondering if there were any talented copywriters out there who would be inclined to work exclusively for 50% royalty on gross sales. I have been in the digital online subscription business since 2004, and I do not have a sufficient budget for flat-rate work. Please visit my two properties and contact if interested. Thank You

Guest (Elliott Wave Technology) – over a year ago

Thank you for the good info!!! Tell me how to receive song writing royalties. THANKS!!!

Guest (Ray Martin) – over a year ago

Roy,

Thanks so much for this article. Two quick questions, how many copywriters have screenwriting backgrounds? Secondly, I wrote ad copies for a popular sports app. If accepted, would my royalties be based on sales of the product or traffic driven to the app as a result of the content I created aggregating potential buyers around my ad? Or both?

Thanks,

Barrett, Atlanta

Guest (Barrett) – over a year ago

Barrett... I don't know how many copywriters have screenwriting backgrounds, but my next door neighbor does (TV) and he's built a 7-figure online business selling gongs. He's not a "copywriter" but he writes the copy. I find studying screenwriting experts like Michael Hauge can improve my copywriting.

RE your arrangement, it's based on what you arrange with the client. Royalties are usually based on sales generated, but must be negotiated on a per-project basis. Hope this helps!

Roy

Roy Furr – over a year ago

Great article Roy.

Thank you :-)

Steve

Guest (Steve) – over a year ago

I'm working on writing sales emails for the retail company I work for, which uses InfusionSoft to track and market to sales leads. My boss has talked about taking our "program" to other companies in our industry and selling it to them. Do you think I can earn royalties off those sales? I'm not a "professional" writer--I went to school for it but have never negotiated a contract, so I don't know what's appropriate to ask for.

Guest (Tonya) – over a year ago

Roy, I'm following up on your response above to Barret's question regarding screenwriting royalties. Working with a client that I've written a number of scripts for that will be used for motivational purposes and tied to either drive traffic to his affiliate marketing program, or used within the contents of the program itself for his subscribers who will pay a fee for access. Wondering if there have been any standards established since initial publication of the comment a few years ago. Thanks!

Jon A – over a year ago

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